



August 23, 2010

The Honorable Ray LaHood
Secretary of Transportation
U.S. Department of Transportation
1200 New Jersey Ave. SE
Washington, D.C. 20590

Re: State of Hawaii, Department of Transportation Highways Division TIGER II Discretionary Grant
Application for Kapolei Interchange Complex Phases 2 and 3, Kapolei, Hawaii

Dear Secretary LaHood:

The James Campbell Company LLC is a private, Hawaii-based, nationally diversified real estate company with assets in Washington, D.C. and 15 states across the United States. These assets include ground leases, office, retail, and industrial properties. An affiliate of the James Campbell Company LLC, Kapolei Property Development LLC (KPD) continues the company's long-standing commitment to the development of the City of Kapolei, Oahu, Hawaii and the surrounding region. These efforts began in the 1970s with the development of a master plan for the region, which moved from the drawing board to reality with groundbreaking for the City's urban core in 1990.

Now, 18 years after groundbreaking, not only is Kapolei the fastest growing area in the State, it is also well on its way to becoming a major urban center. In fact, projections show that by 2025 there will be 7 million square feet of commercial space and over 63,000 jobs in the Kapolei region, making it a worthy rival to downtown Honolulu.

KPD has been a strong private partner with the State of Hawaii Department of Transportation (HDOT) in the development of the Kapolei Interchange Complex, the region's major transportation infrastructure facility. KPD partners with the HDOT by implementing the design of the Interchange Complex and providing the necessary right of way to expedite the project's construction, cutting years from the overall project completion timeframe and making the project financially less dependent on public funds. We urge your favorable consideration of the HDOT's TIGER II grant request for Phases 2 and 3 of the project.

The Kapolei Interchange Complex is one of the largest vehicular transportation improvement projects in the State of Hawaii. The project will improve freeway access to the City of Kapolei, the fastest growing urban area in the State. The Interchange Complex consists of three linked freeway interchanges: the existing Makakilo and Palailai Interchanges which will be greatly expanded and the Kapolei Interchange which will be newly constructed. The construction of the Complex will be achieved in phases to match the growth of the Kapolei area and to alleviate the traffic congestion that many area residents consider a top issue affecting quality of life.

Construction and operation of the Kapolei Interchange Complex is expected to have the following impacts over the coming years:

Sustains a major plan for economic development in fastest growing area of Hawaii

The Kapolei Interchange Complex will facilitate commerce by providing access between the Interstate H-1 freeway and the center of the growing City of Kapolei and its surrounding areas. The City of Kapolei is located on the western portion of Hawaii's most populous island of Oahu. In the 1970s, State and County governments made Kapolei the focal point for growth by designating it as Oahu's Secondary Urban Center and directing all new growth to the area to create a sustainable land use pattern.

Today, Kapolei is recognized as the fastest growing region in Hawaii. Kapolei has evolved into an economic hub with 1,200 companies accounting for more than 36,000 jobs. In recent years, the surge of activity has accelerated the City's growth, generated by an influx of new investors who see Kapolei's enormous potential and who are fueling job creation and economic activity in the region. Kapolei's continued growth has become an important factor in helping stabilize Hawaii's economy.

Helps create more than 40,000 new jobs in Kapolei in the next 20 years

The Kapolei Interchange Complex will play an important role in continuing Kapolei's momentum of growth by improving access and transportation infrastructure. Over the next 20 years, business investments in Kapolei are expected to fuel a robust economy that will create nearly 28,000 new jobs in the region. Projections show that by 2025 commercial space will grow to 7 million square feet.

What is attracting businesses to Kapolei is its growing resident population. Kapolei's population is expected to increase over the next 15 years from about 101,000 today to around 160,000—which is more than the current population of the entire island of Maui.

Alleviates traffic congestion

The Kapolei Interchange Complex will alleviate not only the traffic congestion within the City of Kapolei but also traffic congestion heading into Honolulu. Urban Honolulu is second only to Los Angeles in population density with 5,000 people per square mile. The Interstate freeways heading into Honolulu are heavily overburdened, making traffic congestion the number one quality of life issue for Hawaii's residents. As Kapolei develops into a major job center, the pattern of commuter and commercial traffic will change, reversing the regional flow of traffic.

Enhances interstate port, industrial and vehicular commerce

The Kapolei Interchange Complex would enhance the flow of interstate commerce as part of an interchange complex that will provide the only public access between the Interstate H-1 freeway and Kalaheo Harbor, Hawaii's second busiest port, and James Campbell Industrial Park, Hawaii's largest industrial park.

In addition to the businesses within the City of Kapolei, there are more than 200 businesses at Campbell Industrial Park which provide a significant portion of the infrastructure for the Island of Oahu. Campbell Industrial Park provides 100% of Hawaii's oil refining, most of the State's gas manufacturing (propane and synthetic natural gas), 40% of Oahu's electrical generation, most of Oahu's waste management services, and many other vital services needed for the everyday lives of the people of Hawaii.

Businesses at Campbell Industrial Park provide vital services to the State of Hawaii and its residents, including a wide range of manufacturing, import/export, power generation, construction, and waste management industries.

Ensures the public's health and well-being

Access provided by the Kapolei Interchange Complex will be most needed during times of emergency. As can be expected of an industrial park, many of the businesses at Campbell Industrial Park use hazardous materials, including flammable and toxic liquids and gases. The concentration of hazardous chemicals in Campbell Industrial Park and their proximity to a rapidly growing business and residential community provides a compelling need for improving access to address potential vulnerabilities and improve emergency response. Emergencies stemming from man-made hazards and natural causes, such as hurricanes, tsunamis, earthquakes and floods, may occur at any time to disrupt power, utilities, communications and other critical services. Improved access would benefit the nearly 4,000 people who work at Campbell Industrial Park and the more than 150,000 people living within 10 miles of Campbell Industrial Park.

Improves access to government lands


The Kapolei Interchange Complex will improve access to the State-owned Kalaeloa Harbor, the second busiest port in the State, by providing access to the future State Harbor Access Highway. In addition, the Kapolei Interchange will improve access to the Kalaeloa Community Development District (Kalaeloa) which encompasses approximately 3,695 acres of land within the former Barbers Point Naval Air Station (BPNAS) in Leeward Oahu. The lands within Kalaeloa are presently owned by various Federal, State, and County agencies. In 1993, the U.S. Department of Defense, through the Base Realignment and Closure (BRAC) process, designated the BPNAS for closure. As part of the closure process, roughly 1,050 acres were retained by the Navy, 472 acres were declared as excess and transferred to other Federal agencies and the remaining 2,165 acres were declared as surplus, making them available for conveyance to State and local government agencies. Of the land retained by the Navy, approximately 675 acres have been set aside for transfer or brokered sale to support the development at Ford Island in Pearl Harbor.

Protects Hawaii's fragile environment

The Kapolei Interchange Complex will support the long-term goal of managing Oahu's future growth in a way that is sustainable and protects the island's unique environment. Government's policy of directing the island's future growth to Kapolei will change Oahu's development pattern, reverse the flow of traffic, prevent urban sprawl and preserve open space. The Kapolei Long Range Master Plan balances economic development, quality of life and environmental stewardship, ensuring a sustainable future for generations to come.

We are please to support the continued construction of the Kapolei Interchange Complex because it will relieve congestion, provide access for future mass transit options and sustain a major plan for economic development in Oahu's fastest growing urban area and the designated Secondary Urban Center for Oahu. Please connect to www.kapolei.com for further information on Kapolei and the region's growth.

Very truly yours,


Brad Myers
President

cc: Brennon Morioka, Director, State of Hawaii Department of Transportation
Edwin Sniffen, Highways Administrator, State of Hawaii Department of Transportation